

AMENDED IN ASSEMBLY JUNE 24, 2004
AMENDED IN ASSEMBLY JUNE 10, 2004
AMENDED IN ASSEMBLY JUNE 2, 2004
AMENDED IN ASSEMBLY JUNE 27, 2003
AMENDED IN SENATE MAY 6, 2003
AMENDED IN SENATE APRIL 23, 2003
AMENDED IN SENATE MARCH 25, 2003

SENATE BILL

No. 260

Introduced by Senator Romero
(Coauthor: Senator Kuehl)
(Coauthors: Assembly Members Berg and Maze)

February 18, 2003

An act to add Section 6534 to the Government Code, relating to health care.

LEGISLATIVE COUNSEL'S DIGEST

SB 260, as amended, Romero. Health care.

Existing law authorizes the formation of local health care districts and the establishment of municipal hospitals for the purpose of providing needed public health care services. Existing law, the Joint Exercise of Powers Act, permits 2 or more public agencies to enter into an agreement to jointly exercise any power common to the contracting parties.

This bill would create the California Prison Inmate Health Service Reform Act and would authorize the Department of Corrections to enter

into joint powers agreements with one or more health care districts in order to establish regional inmate health service joint powers agencies. The bill would establish the purposes for which inmate health service joint powers authorities may be utilized.

Vote: majority. Appropriation: no. Fiscal committee: yes. State-mandated local program: no.

The people of the State of California do enact as follows:

1 SECTION 1. The Legislature finds and declares all of the
2 following:

3 (a) California's prison inmate health care delivery system is in
4 a state of disarray.

5 ~~(b) The cost of inmate health care services has increased by~~
6 ~~more than 300 percent during the past decade, and will likely~~
7 ~~exceed \$1 billion annually by 2006, far exceeding the rate of~~
8 ~~growth in inmate population and the general rate of private sector~~
9 ~~health care cost inflation during the same period.~~

10 ~~(c) The cost of "outsourced" health care services, including~~
11 ~~payments to private hospitals, is one of the fastest growing inmate~~
12 ~~health care cost centers. Total outsourced health care costs have~~
13 ~~increased at an average 15 percent annual rate during the past~~
14 ~~decade, and will total \$250 million in 2005.~~

15 ~~(d)~~

16 (b) Health care districts operate 32 rural public hospitals in
17 California. Many of these hospitals are located within 10 miles of
18 a state prison facility, and are able to provide all necessary health
19 care services for the majority of prison inmates.

20 ~~(e)~~

21 (c) California prison administrators frequently bypass health
22 care district hospitals when seeking care for inmates, in favor of
23 more distant and ~~costly private preferred~~ hospitals.

24 ~~(f)~~

25 (d) Health care districts operate public hospitals that provide
26 more than 50 percent of all hospital care in rural California.

27 ~~(g)~~

28 (e) California's rural district hospitals have struggled for
29 financial survival for more than the past 10 years, posting net
30 operating losses of more than \$22,000,000 in 2002 according to
31 the Office of Statewide Health Planning and Development.

~~(h)~~—

(f) More extensive utilization of the rural public hospitals operated by health care districts for delivery of inmate health services leverages state inmate health care dollars to maximum effect ensuring the long-term survival of the state's rural health safety net while helping to reduce state General Fund expenditures for inmate health care.

~~(i)~~—

(g) Health care district management expertise could significantly improve prison health facility management, health care utilization review, quality of health care review, and health care staff recruitment. This assistance would assist Department of Corrections staff in improving health care quality, access, and cost containment.

~~(j)~~—

(h) More effective utilization of health care district hospitals could reduce the cost of outsourced inmate care by at least \$20,000,000 annually, improve the quality of inmate health care, and improve the overall management of California's prison health care system.

~~(k)~~—

(i) It is in the best interests of California's prison inmates, the State of California, and California's rural health safety net, that the Department of Corrections and health care districts form regional joint powers agencies to provide, arrange for, and assist in the provision of health care services to California prison inmates.

SEC. 2. Section 6534 is added to the Government Code, to read:

6534. (a) This section shall be known, and may be cited, as the California Prison Inmate Health Service Reform Act.

(b) The Department of Corrections may enter into joint powers agreements under this chapter with one or more health care districts established in accordance with Division 23 (commencing with Section 32000) of the Health and Safety Code, in order to establish regional inmate health service joint powers agencies.

(c) Inmate health service joint powers authorities may be utilized for any purpose related to the provision, acquisition, or coordination of inmate health care services, including, but not limited to, all of the following:

- 1 (1) The provision of district hospital-based surgical,
2 diagnostic, emergency, trauma, acute care, skilled nursing,
3 long-term, and inpatient psychiatric care.
- 4 (2) Health care utilization review services.
- 5 (3) Health facility management consultation services.
- 6 (4) Health care contract design, negotiation, management, and
7 related consultation services.
- 8 (5) Health care quality monitoring, management, and oversight
9 consulting services.
- 10 (6) Physician and health care staff recruitment services.
- 11 (7) The design, construction, and operation of dedicated,
12 secure, community-based health care facilities for the provision of
13 inmate health care services.

